

Tuesday, 04 December 2018

**DOMESTIC MARKET ACTIVITY AS ON 03-12-2018**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1846719	+3.27	18476.39	+45.70	2624619	+44.80
EURINR	77426	+5.48	535.04	+31.61	66736	+31.07
GBPINR	29265	-15.54	915.22	+25.52	101614	+24.76
JPYINR	25787	+0.14	161.53	+53.96	25963	+53.01

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar was broadly lower against a currency basket on Monday after the U.S. and China pulled back from escalating their trade war, sending investors into risk-on mode and dampening safe haven demand for the U.S. currency. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.51% to 96.69 by 04:14 AM GMT (09:14 AM GMT). The White House said on Saturday that President Donald Trump told China's President Xi Jinping at the G20 talks in Argentina that he would not raise tariffs on \$200 billion of Chinese goods to 25% on Jan. 1 as previously announced. The two sides will hold negotiations aimed at reaching a deal within 90 days.
- EUR/USD** - EUR/USD has posted gains in the Monday session. Currently, the pair is trading at 1.1347, up 0.25% on the day. On the release front, German and euro zone manufacturing PMIs both missed their estimates, with both indicators posting readings of 51.8 points. In the U.S, today's key event is ISM Manufacturing PMI, which is expected to tick lower to 57.7 points. On Tuesday, the euro zone releases PPI, which is expected to remain pegged at 0.5%. German indicators have been pointing lower, and this worrying trend continued on Monday. Manufacturing PMI dropped to 51.8 in November, down from 52.2 points in October. This marked a fourth straight downturn and was the lowest reading since April 2016. The global trade war has taken a bite out of German exports and a slowdown in the eurozone economy has dampened manufacturing growth in Germany. On Friday, German retail sales fell by 0.3%, its first decline since July. Consumers are holding tighter to the purse strings, which is hurting economic growth. Unsurprisingly, consumer confidence softened in November – the reading of 10.4 points was its lowest level since May 2017.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.67	1.27	69.78	70.22	70.45	70.90	71.12
EUR-INR	80.20	0.73	79.38	79.79	80.08	80.49	80.78
GBP-INR	89.94	0.88	88.61	89.27	89.87	90.53	91.12
JPY-INR	62.37	1.17	61.61	61.99	62.20	62.58	62.79

CURRENCY IN FOCUS

GBP-INR (Dec.)



**Technical Strategy: GBP-INR Dec. Sell AT 89.85 with SL above 90.00 TP-89.50/89.30.**

Major Economic Data and Events Schedule For 04-12-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:45pm	GBP	BOE Gov Carney Speaks	-	-	High

Impact - High Medium Low

**Note:** Economic data expectations are based on median forecast by economists or Reuters and Bloomberg survey. Here positive impact indicates currency could appreciate and negative indicates currency could depreciate in comparison with US Dollar.

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